

December 13, 2024

Via Email

Nadine Ando, Director
Department of Commerce and Consumer Affairs
Professional and Vocational Licensing Division
P O Box 3469
Honolulu, HI 96801
NAndo@dcca.hawaii.gov

RE: ASC Compliance Review of Hawaii's Appraiser Regulatory Program

Dear Nadine Ando:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Hawaii appraiser regulatory program (Appraiser Program) on August 27-28, 2024, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the Hawaii Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- The State failed to process requests for temporary practice permits within 5 business days of receipt of a completed application;²
- The State failed to reconcile and pay 3 Appraiser Registry invoices timely.³

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Hawaii will remain on a two-year Review Cycle.

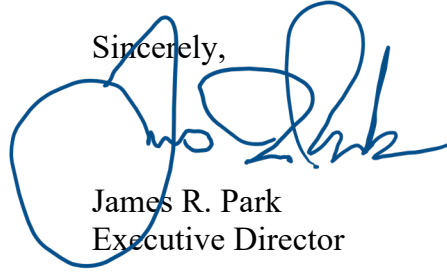
¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3351; Policy Statement 2 B.

³ 12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 B.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,

A handwritten signature in blue ink, appearing to read "James R. Park", is written over the word "Sincerely,".

James R. Park
Executive Director

Attachment

cc: Shelley Choy, Program Specialist, SChoy@dcca.hawaii.gov
Hector West, Executive Officer, HWest@dcca.hawaii.gov
Ahlani K. Quiogue, Licensing Administrator, AQuiogue@dcca.hawaii.gov
Candace Ito, Supervising Executive Officer, CIto@dcca.hawaii.gov

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> • State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure 	1-year
Poor**	<ul style="list-style-type: none"> • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

**An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: December 13, 2024

Hawaii Appraiser Regulatory Program (State)			
Real Estate Appraiser Advisory Committee (Committee)	PM: N. Fenochietti	ASC Compliance Review Date: August 27-29, 2024	Review Period: December 2022 to August 2024
Umbrella Agency: Department of Commerce and Consumer Affairs		Number of State Credentialed Appraisers on Appraiser Registry: 489	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None
Temporary Practice: States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2 B.)		X		The State failed to process requests for temporary practice permits within 5 business days of receipt of a completed application.	On December 6, 2024, the State reported that the clerk responsible for processing Temporary Practice Permit applications was out of the office, and a Temporary Practice permit application received on June 12, 2024, was not issued until June 20, 2024. In the future when the clerk assigned this task is out of the office, the backup clerk will assume this responsibility.	The State must ensure that all Temporary Practice permits are issued within 5 days of receipt of a completed application.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry: States must reconcile and pay registry invoices in a timely manner. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 B.)		X		The State failed to reconcile and pay 3 Appraiser Registry invoices timely.	On December 6, 2024, the State reported that the outstanding invoices were reconciled and payment was sent certified mail to the ASC on December 3, 2024.	The State must ensure that all Appraiser Registry invoices are paid within 45 days of receipt.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None